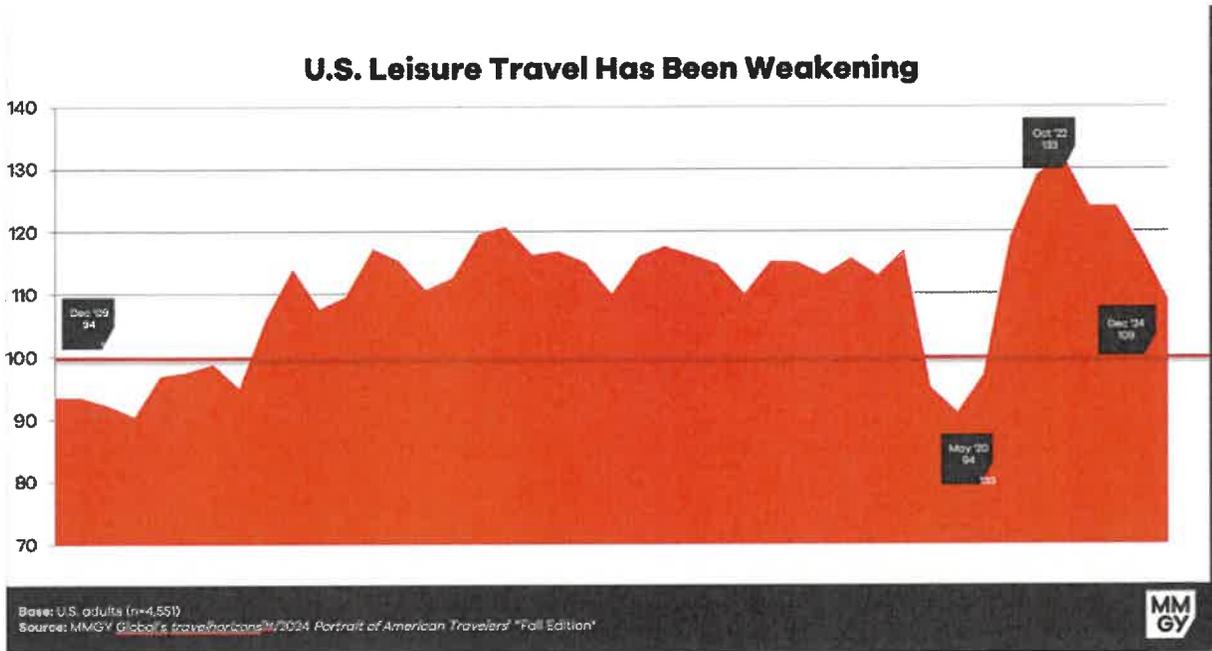


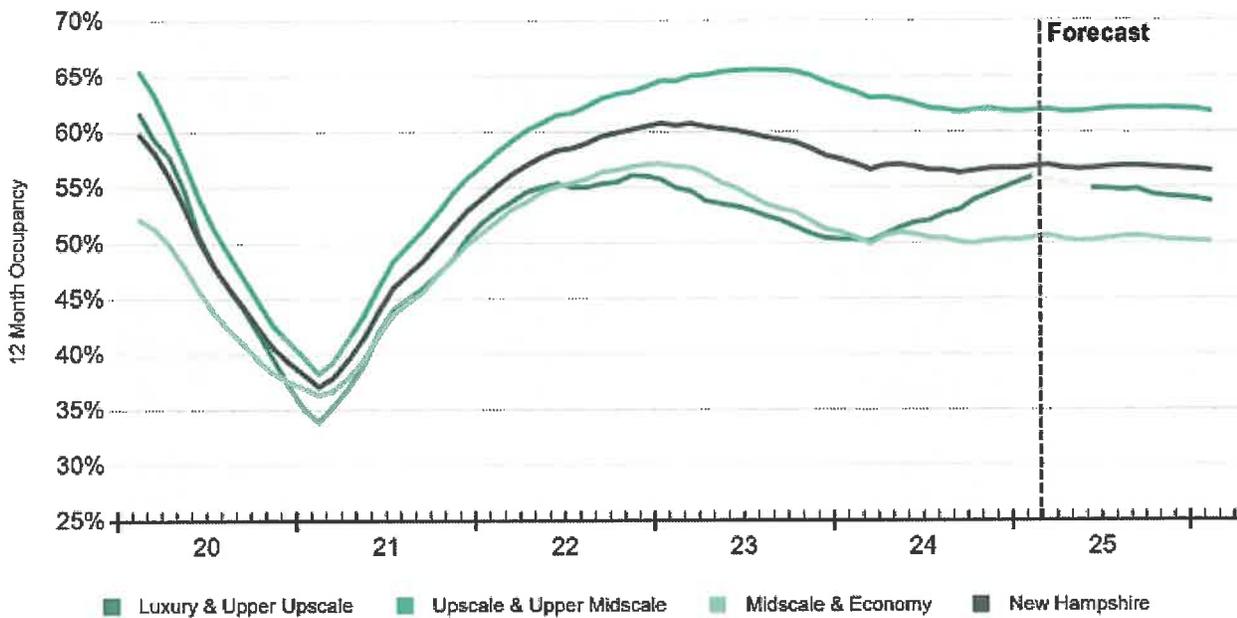
Senate Ways & Means – Hospitality & Tourism

- Reported this morning that the economy contracted in Q1 which support what we are seeing.
- Leisure travel has been weakening since at least Q4 2024.



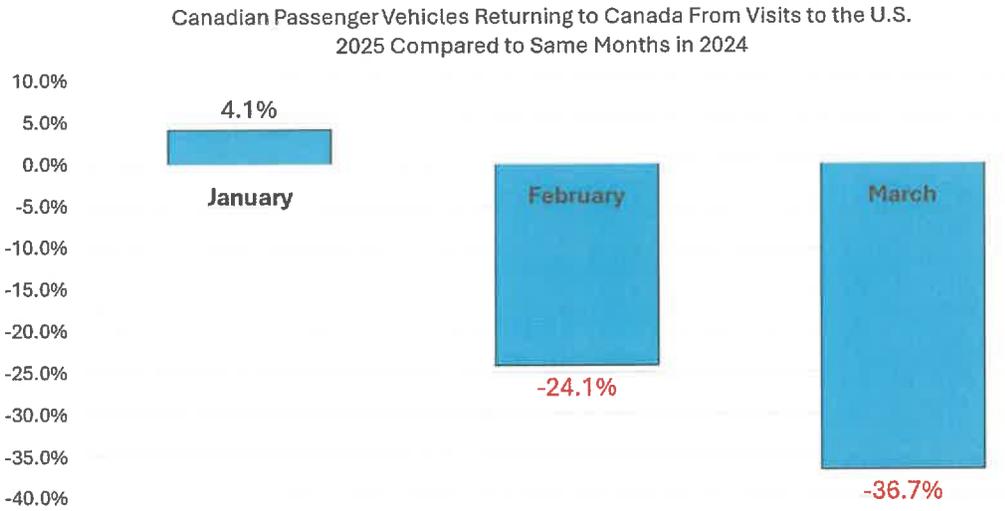
- Consumer sentiment is down, driven largely by prices remaining high and the uncertainty resulting from tariffs, market volatility etc.

Hotel Occupancy by Tier



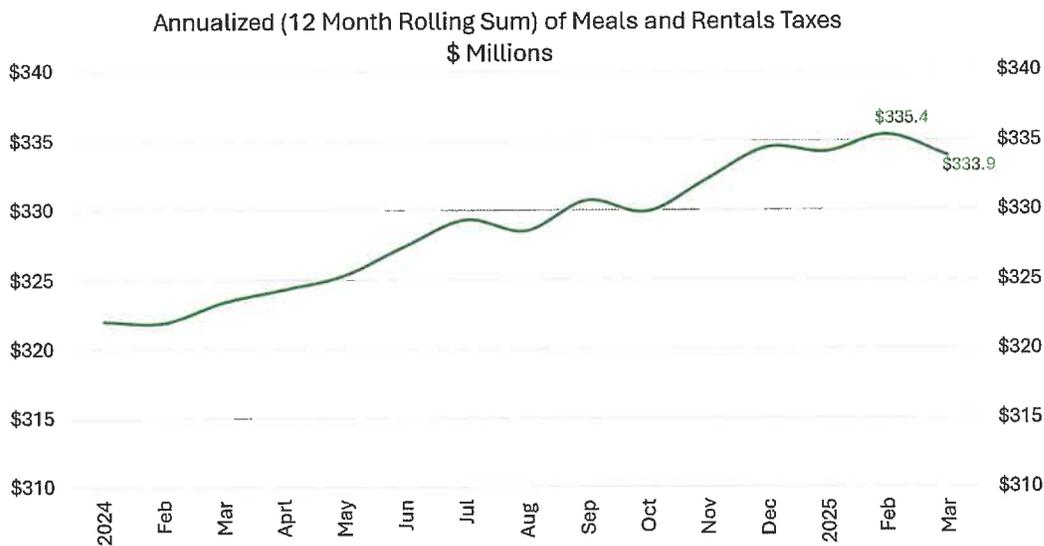
- Leisure customers are downsizing across multiple demographics. Particularly middle-class and upper-middle-class households. Rather international travel they are choosing to travel domestically, or selecting drive destinations.
- Hotel room rates have been softening for at least the last 2 quarters, and as leisure demand softens hotel rates will continue to ease across all sectors.
- Canadians are one of NH's most important visitor groups. In Q1 Canadian visitation fell significantly.

Border Crossing Data on Canadian Passenger Vehicles Returning to Canada from the United States Show Canadians Visits to the U.S. Continue to Decline Compared to 2024



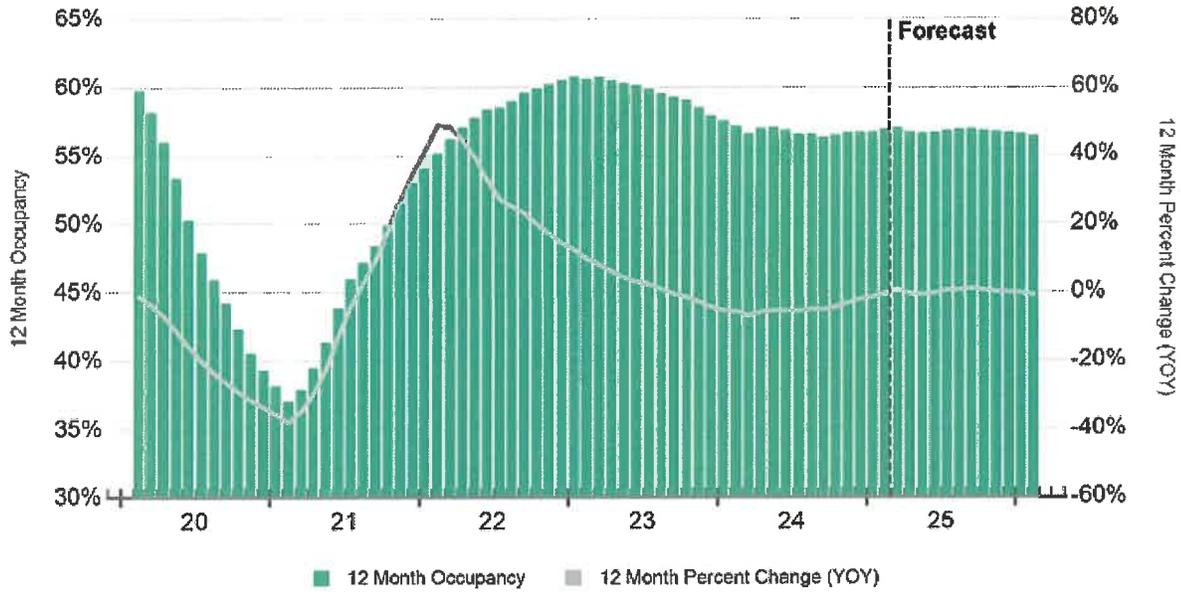
Source: PolEcon analysis of tourism data from *Statistics Canada*

Meals and Rental Tax Revenue is Starting to Slump



- Annualized Meals and Rentals tax revenue is slowing.

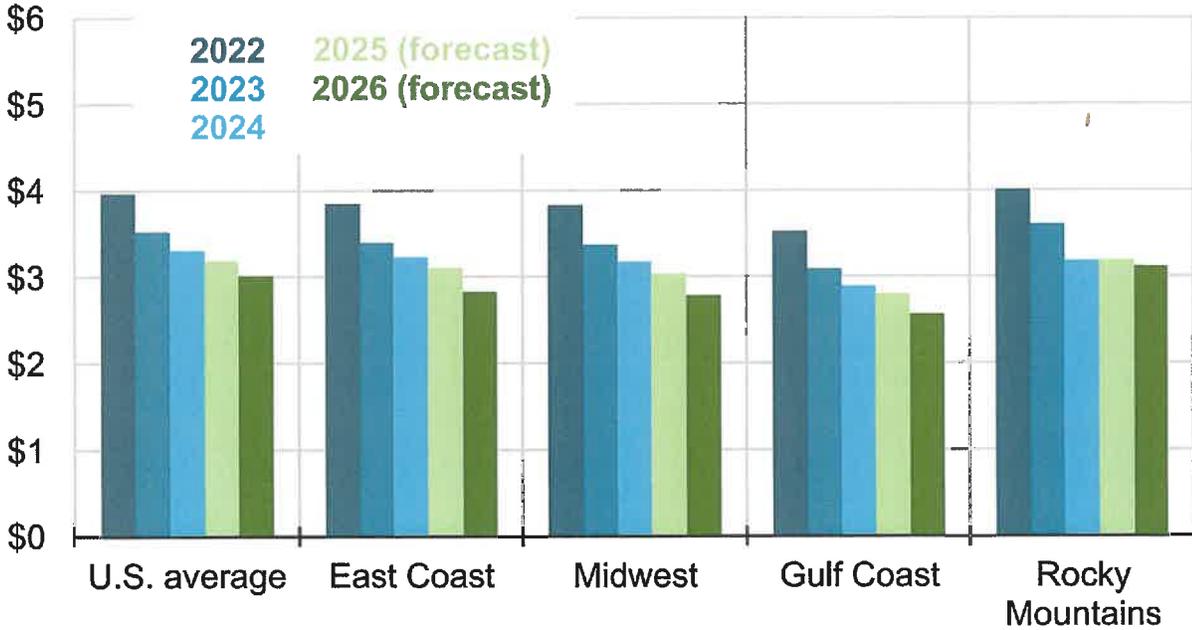
Hotel Occupancy



- If gas prices remain low, there could be some increased visitation from our neighbors to the south.

U.S. annual average retail gasoline price by region (2022–2026)

dollars per gallon



Restaurant Performance Index Values greater than 100 = Expansion; Values less than 100 = Contraction



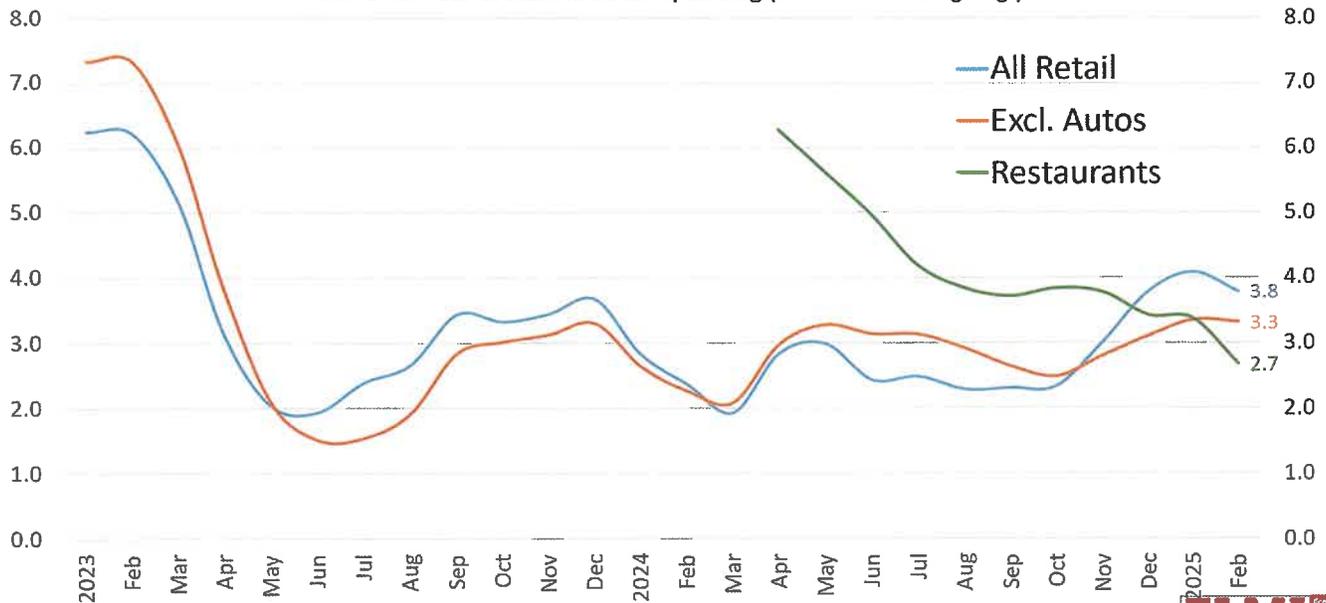
Source: National Restaurant Association



- Same store restaurant sales nationally saw a dip in February

Retail Spending is Solid But Beginning to Show Cracks

Year-Over-Year Growth in Retail Spending (3 Month Moving Avg.)



- Retail spending is slowing and restaurants are a leading indicator.

• **Conclusion:**

The next 2 years will be challenging for the industry. With the uncertainty of the impact of tariffs on cost of goods and equipment. Consumers being more cautious in their spending and, a likely downturn in international visitors, it will be challenging to forecast with any certainty what lies ahead.

On a positive note, gas prices are down and, if they remain low as projected; that has historically led to an increase in drive market visitation. But will that be enough to offset Canadian and other International visitors?

FIFA is coming to Massachusetts in 2026 which will likely result in a bump in visitation, and 2026 is the 250th Anniversary of the signing of the Declaration of Independence and is expected to have a positive impact on tourism.

Finally, every tourism report in NH is a weather report! If we have a warm summer with modest rainfall mid-week, and not on the weekend, we can expect a decent year.

Businesses I have talked to are projecting to be flat this year and cautiously optimistic that there will be modest growth in sales next year.